



ABN: 90 058 632 943

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

Peer Based Harm Reduction WA Inc.

ABN: 90 058 632 943

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Peer Based Harm Reduction WA Inc.

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Chairperson's and CEO's Address

Dear Member

It is our privilege to present the combined Chairperson and Chief Executive Officer's report on behalf of Peer Based Harm Reduction WA's Committee of Management ("the COM") and the management, all staff, and volunteers of the organisation.

Peer Based Harm Reduction WA is the only peer-based, not-for-profit harm reduction organisation that represents the needs, concerns, and provides a range of consumer driven harm reduction services for people who use or have used drugs in Western Australia. As such, Peer Based Harm Reduction WA continues to be in a unique position to provide a strong voice in advocating for people who choose to use drugs and their rights as health consumers.

We aim to bring drug users' perspectives into all our harm reduction initiatives, to our partnerships with other organisations, and to the advice and advocacy that we provide to funders and government. Throughout this year and despite the ongoing impacts of COVID-19 we have continued to grow the way we provide services to people who inject drugs. We have also enhanced our focus in supporting the International goal of eliminating hepatitis C by 2030. Throughout this year, Peer Based Harm Reduction WA has continued to develop and enhance partnerships with key State and National organisations, including key Peak Bodies and we have enhanced our collaborations with key research bodies over the course of this year.

The 2021 - 2022 financial year has been very busy and productive, while we continued to respond to the challenges of uncertainty related to the COVID-19 pandemic. In addition to our core funding from the Health Department of WA, through the Sexual Health and Blood Borne Virus Program we have continued to deliver on an additional grant through the Health Department of WA for the expansion of operating hours in the South West. We maintain our contract with the Mental Health Commission to provide the Peer Naloxone Project and the Overdose Prevention and Management project. Until October 2021 we continued to receive funding through the Burnett Institute for the hepatitis C Peer Education project. We also received a small grant from the Australian Injecting and Illicit Drug Users Association (AIVL) to undertake research in WA around secondary supply. We would like to acknowledge these funding bodies, enabling Peer Based Harm Reduction WA to provide a range of unique and evidence based services for our community.

The COM has ensured that Peer Based Harm Reduction WA continues to work within its Strategic Plan, meet its obligations, manage its finances, and operate transparently, as well as maintaining its quality management system certification.

We would like to take this opportunity to thank the COM members for their support and diligent oversight of the organisation. On behalf of the COM, the management and staff we would like to sincerely thank the Finance Manager, Sai Thia and our Finance Officer, Stevie Davies for their diligent commitment and tireless efforts, particularly through the challenging periods as a result of COVID-19 restrictions, to ensure the positive financial outcomes and systems improvements achieved over the 2021 - 2022 financial year.



Jill Rundle
Chairperson
Perth, Western Australia

28 September 2022



Angela Corry
Chief Executive Officer
Perth, Western Australia

28 September 2022

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Committee of Management's Report

The Committee of Management ("The COM") presents its report on Peer Based Harm Reduction WA Inc. ("The Association") for the financial year ended 30 June 2022.

Committee of Management

The COM comprise of the following members, of which they held office throughout the year except where stated otherwise as set out below.

Name	Appointed	Roles as at September 2022
Jill Rundle	2013 nominated and accepted at AGM	Chairperson Member – COM CEO Review CEO Selection
Roanna Lobo	2014 nominated and accepted at AGM	Deputy Chairperson Member - COM
Hamish Dobie	2019 nominated and accepted at AGM	Treasurer Member – COM
Razif Ismail	2020 nominated and accepted at AGM	Member - COM
Kara Hopa	2021 nominated and accepted at AGM	Member - COM
Caroline Henson	2020 nominated and accepted at AGM – resigned September 2021	Member - COM
Francine Eades	2020 nominated and accepted at AGM – membership revoked 2021	Member - COM

The Chief Executive Officer of Peer Based Harm Reduction Inc. attends COM meetings and sits on all Committees.

The Secretary authorised Stevie-Marie to be the Association's delegate. Ms Stevie-Marie ensures that proper records of all COM and Committee meetings are kept and maintained including the register of members.

The Association's financial statements must be and are audited by Nexia Perth Audit Services Pty Ltd.

A General Meeting is held annually to present the annual financial statements to the Members.

Peer Based Harm Reduction WA Inc.

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Principal activities

The principal activities of Peer Based Harm Reduction WA Inc “the Association” during the financial year were providing support, education, and advocacy and to reduce transmission of Blood Borne Viruses and the harms and hazards associated with substance use amongst people in Western Australia. We constantly strive to improve the health and social circumstances of substance users, utilising a framework underpinned by harm reduction and peer education. The Association is a registered charity.

Review of operations

The net surplus for the financial year ended 30 June 2022 amounted to \$142,073 (2021: surplus \$168,655). The surplus in 2022 remains fairly consistent as compared to prior year with grants funding remain as the largest income contributor and represented 98% of the total revenue in 2022. The Association service programs funding stakeholder by size – the Department of Health WA contributed to 90%, the Mental Health Commission 8% and other 2%.

Changes in state of affairs

During the financial year there were no significant changes in the state of affairs of the Association.

Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

On behalf of the Committee of Management



Jill Rundle
Chairperson
Perth, Western Australia

28 September 2022

Auditor's independence declaration under Subdivision 60-40 of the Australian Charities and Not for Profit Commission Act 2012

Auditor's Independence Declaration under Subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012* to the Members of the Peer Based Harm Reduction WA Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

28 September 2022
Perth

**Independent Auditor's Report
To the Committee Members of Peer Based Harm Reduction WA Inc**

Opinion

We have audited the financial report, being a special purpose financial report, of Peer Based Harm Reduction WA Inc. ('the Association'), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee members' declaration.

In our opinion, the accompanying financial report of Peer Based Harm Reduction WA Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Associations Incorporation Act (WA) 2015*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee members' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee Members for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Act (WA) 2015*. The members' responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The members are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at https://auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

28 September 2022
Perth

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Statement by the Members of the Committee of Management

The Members of the Committee of Management ("the COM") has determined that Peer Based Harm Reduction Inc. ("the Association") is not a reporting entity because in the opinion of the COM there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the annual financial requirements of the Association's Rule of Association and the Australian Charities and Not-for-profits Commission Act 2012.

In the opinion of the Members of the Committee of Management, the Financial Statements:

- (a) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements for the year ended 30 June 2022 and notes thereto satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 as well as Divisions 5,6 and 7 of the Associations Incorporations Act (WA) 2015, including giving a true and fair view of the financial position at 30 June 2022 and performance of the Association for the year then ended in accordance with the accounting policies described in Notes 1 - 4 to the financial statements.

The statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board by:



Jill Rundle
Chairperson
Perth, Western Australia



Hamish Dobie
Treasurer
Perth, Western Australia

28 September 2022

28 September 2022

Peer Based Harm Reduction WA Inc.

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Continuing operations			
Grant Funding	9	2,048,332	2,217,579
Amount Transferred to Grant Funding In Advance	9	(76,581)	(268,459)
Total grant revenue		1,971,751	1,949,120
Bank interest		6,644	7,669
Donations		1,263	4,682
Other income		37,718	117,994
NSEP HDWA		24,772	24,101
NSEP PBHRWA		31,708	37,015
Profit on disposal of non-current assets		6,152	5,245
Other revenue		108,257	196,706
Total revenue		2,080,008	2,145,826
Cost of sales		68,032	56,033
Advertising and promotion		7,244	1,341
Accounting and audit fees	5	16,500	14,300
Bank charges		1,996	1,650
Clinic stock		14,675	12,869
Community and resource development		28,013	21,930
Amortisation and depreciation		204,536	229,499
General administrative expenses		44,118	27,095
Information technology		14,161	17,872
Insurance		50,615	50,743
Interest and finance expenses		12,632	13,117
Motor vehicle		22,799	22,883
Parking		8,065	4,254
Postage, printing and stationery		22,098	20,051
Rent and outgoings		17,753	12,829
Salaries, benefits and associated expenses		1,383,347	1,443,572
Travel and accommodation		3,600	7,171
Utilities and security		16,795	19,962
Volunteer expenses		956	-
Total expenses		1,937,935	1,977,171
Net surplus for the year		142,073	168,655
Other comprehensive income			
<i>Items that may be recycled through profit or loss in future</i>		-	-
Total comprehensive income for the year		142,073	168,655

This statement should be read in conjunction with the accompanying notes to accounts.

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Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	2,234,610	2,350,691
Account receivable		11,015	49,943
Prepayments		67,839	63,157
Inventory		20,968	34,451
Total current assets		2,334,432	2,498,242
Non-current assets			
Rental bond		5,000	5,000
Plant and equipment	7	512,926	456,863
Total non-current assets		517,926	461,863
TOTAL ASSETS		2,852,358	2,960,105
LIABILITIES			
Current liabilities			
Grants received in advance	9	76,581	268,459
Trade and other payables	10	102,255	121,631
Amounts due to ATO	11	43,641	84,555
Provisions	12	187,370	186,592
Lease liabilities	13	145,036	139,296
Total current liabilities		554,883	800,533
Non-current liabilities			
Lease liabilities	13	177,039	181,209
Total non-current liabilities		177,039	181,209
TOTAL LIABILITIES		731,922	981,742
NET ASSETS		2,120,436	1,978,363
EQUITY			
Reserves		162,750	162,750
Accumulated funds		1,815,613	1,646,958
Current year surplus		142,073	168,655
TOTAL EQUITY		2,120,436	1,978,363

This statement should be read in conjunction with the accompanying notes to accounts.

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Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
OPERATING ACTIVITIES			
Receipts from funding and other income		1,920,414	2,420,319
Receipts from interest		6,644	7,669
Payments for interest		(12,632)	(13,117)
Payments to suppliers and employees		(1,777,630)	(1,616,663)
Net cash inflows from operating activities	8	136,796	798,208
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(131,154)	(156,179)
Proceeds from disposal of property, plant and equipment		20,164	44,374
Net cash outflows from investing activities		(110,990)	(111,805)
FINANCING ACTIVITIES			
Lease payments		(141,887)	(140,406)
Net cash outflows from financing activities		(141,887)	(140,406)
Net increase in cash and cash equivalents		(116,081)	545,997
Cash and cash equivalents at the beginning of the year		2,350,691	1,804,694
Cash and cash equivalents at the end of the year	6	2,234,610	2,350,691

This statement should be read in conjunction with the accompanying notes to accounts.

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Statement of Changes in Equity

For the Year Ended 30 June 2022

	Reserves	Accumulated	Total
	\$	Funds	Equity
	\$	\$	\$
Balance at 1 July 2020	162,750	1,646,958	1,809,708
Net surplus for the year 2021	-	168,655	168,655
Other comprehensive income	-	-	-
Total comprehensive income	-	168,655	168,655
Balance at 30 June 2021	162,750	1,815,613	1,978,363
Balance at 1 July 2021	162,750	1,815,613	1,978,363
Net surplus for the year 2022	-	142,073	142,073
Other comprehensive income	-	-	-
Total comprehensive income	-	142,073	142,073
Balance at 30 June 2022	162,750	1,957,686	2,120,436

This statement should be read in conjunction with the accompanying notes to accounts.

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Notes to Accounts

For the Year Ended 30 June 2022

1. Basis of Preparation

Association Information and Statement of compliance

The Special Purpose Financial Report of Peer Based Harm Reduction WA Inc. (the "Association") was authorised for issue in accordance with a resolution of the Committee of Management (the "COM") on the date of the declaration. This special purpose financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, the Associations Incorporations Act (WA) 2015 and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The Board has determined that the Association is not a reporting entity. The Association complies with all recognition and measurement aspects of Australian Accounting Standards. The financial report does not include all of the disclosure requirements of AASBs except for the following minimum requirements:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures

Basis of Measurement

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non current assets.

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Association's functional currency.

Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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2. Financial Position

The Association's primary source of funding comprises grants from State Government agencies with whom the Association enters into funding agreements for periods ranging from one to five years. The Association has received confirmation that it is the preferred service supplier for the Department of Health Contract. Based on a cash flow forecast and the working capital surplus position at the reporting date the Board deem the application of the going concern basis of preparation as appropriate.

3. Significant Accounting Judgments, Estimates and Assumptions

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed below in Note 4(f) (ii). The amount of these provisions would change should any of these factors change in the next 12 months.

4. Significant Accounting Policies

The following accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Financial Instruments

Non-derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, any directly attributable transaction costs. Subsequent to initial recognition non derivative financial instruments are measured as described below.

A financial instrument is recognised if the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Association commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Association's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Other

Other non derivative financial instruments are measured at amortised cost using the effective interest rate method.

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b) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

Cost includes all expenditure that is directly attributable to the acquisition of the asset. The cost of self purchased software that is integral to the function of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(i) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(ii) Depreciation

Depreciation is recognised in profit and loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the short of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative period are as follows:

Motor Vehicles	4 years
Leasehold Improvements (Term of Lease)	5 years
Furniture and Fittings	5 years

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate at each reporting date.

(c) Leased Assets

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

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Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments and incorporate the expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement.

(d) Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated based on expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial Assets

The carrying amounts of the Association's non financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset. Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

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An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Inventories

Inventories comprise goods for resale and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Where inventories are acquired at no cost, or for nominal consideration, cost is determined as the current replacement cost as at the date of acquisition.

(f) Employee Benefits

(i) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

(ii) Other Long-term Employee Benefits

The Association's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Association's obligations.

(iii) Short-term Benefits

Liabilities for employee benefits for wages, salaries, annual leave expected to be taken within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Association as the benefits are taken by the employees.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(g) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows

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at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Revenue

Revenue recognition

Revenue recognised under AASB 15 is measured at the amount which the Association expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Government Funding

State and local government grant funding that contain specific conditions on the use of those funds are recognised as and when the Association satisfies its performance obligations by providing those goods and services to its customers. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the Association are recognised as income when the Association obtains control of those funds, which is usually on receipt.

The Association's activities are supported by grants received from the state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from other non-reciprocal grants is recognised when received.

Capital Grant Funding

Contributions for the Association's Capital Grants are recognised when received.

Donations

Donations are recognised when received.

Investment Income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividends from listed entities are recognised when the right to receive a dividend has been established.

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Asset Sales

The gain or loss on disposal of all non-current assets and is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

In-Kind Donations

Facilities and other assets donated by third parties are recognised as revenue at the fair value to the Association where this can be quantified and the third party has borne the cost. No amounts are included in the financial statements for services donated by volunteers. Goods donated for resale are included as income when they are sold.

(j) Income tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(k) Subsequent Events

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in future years.

(l) Commitments and Contingent Liabilities

The Association did not have any committed obligations or contingent liabilities at 30 June 2022 (2021: Nil).

(m) New or amended Accounting Standards and Interpretations adopted

The PBHRWA has adopted all of the new or amended Accounting Standards and Interpretations issued. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Association in either the current or prior financial reporting periods.

5. Income and expenditure items

	2022	2021
Income and expenditure for the year includes:	\$	\$
Auditor remuneration to: Nexia Perth Audit Services Pty Ltd	16,500	14,300

6. Cash and cash equivalents

	2022	2021
Cash and cash equivalents comprise of:	\$	\$
Cheque account	826,767	949,207
Petty cash	1,177	1,484
Term deposit	1,406,666	1,400,000
	2,234,610	2,350,691

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7. Fixed Assets

	2022	2021
	\$	\$
Office furniture and equipment at cost	249,322	184,616
Accumulated depreciation	(148,341)	(124,863)
Net carrying amounts	100,981	59,753
Motor vehicles at cost	180,769	170,210
Accumulated depreciation	(76,747)	(80,803)
Net carrying amounts	104,022	89,407
Leasehold improvements at cost	228,435	228,435
Accumulated depreciation	(227,075)	(226,237)
Net carrying amounts	1,360	2,198
Right-of-use Assets	737,027	593,570
Accumulated amortisation	(430,464)	(288,065)
Net carrying amounts	306,563	305,505
Total Fixed Assets	512,926	456,863

8. Cash flows

	2022	2021
	\$	\$
<i>Reconciliation of operating surplus to operating cash flows:</i>		
Net surplus for the year	142,073	168,655
<i>Adjustments for:</i>		
Amortisation and depreciation	204,536	229,223
Profit on disposal of assets	(6,152)	(5,245)
<i>Operating surplus before changes in working capital</i>	340,457	392,633
<i>Movement in working capital items:</i>		
Change in grants received in advance	(191,878)	212,838
Change in trade and other receivables	38,928	69,325
Change in prepayments	(4,683)	(3,361)
Change in inventory	13,483	(1,768)
Change in provisions	778	45,560
Change in trade and other payables	(60,289)	82,981
<i>Total movement in working capital</i>	(203,661)	405,575
Net cash inflow from operating activities	136,796	798,208

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9. Grant funding

	2022	2021
	\$	\$
<i>Grant funding</i>		
Department of Health WA - C05935 Project	1,576,517	1,538,097
Department of Health WA – Short Term Pilot Projects	206,000	17,175
Mental Health Commission Naloxone 97 & OPAM 94	160,637	152,330
Burnet Institute – Short Term Community Projects	28,597	66,735
WA Primary Health Alliance	-	174,783
Total grant funding received - recognised	1,971,751	1,949,120
<i>Grants received in advance</i>		
Burnet Institute – Short Term Community Projects	49,120	10,593
AIVL – Short Term Community Projects	27,461	-
WA Primary Health Alliance	-	51,866
Department of Health WA – Short Term Pilot Projects	-	206,000
Total grant received in advance	76,581	268,459

10. Trade and other payables

	2022	2021
	\$	\$
Trade and other payables	102,255	89,297
Superannuation payables	-	32,334
Total	102,255	121,631

11. Tax amounts due to ATO

	2022	2021
	\$	\$
PAYG liability	11,214	22,746
GST payable	138,706	166,826
GST receivable	(106,279)	(105,017)
Total	43,641	84,555

12. Provisions

	2022	2021
	\$	\$
Current		
Provision for annual leave	122,342	136,221
Provision for long service leave	65,028	50,371
Total	187,370	186,592

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13. Lease liabilities

	2022	2021
	\$	\$
Current	145,036	139,296
Non-current	177,039	181,209
	322,075	320,505

Movement of Lease liability

Balance at 1 July 2021	320,505	459,800
Lease additions	143,456	-
Lease payments	(154,518)	(152,412)
Interest expense	12,632	13,117
Balance as at 30 June 2022	322,075	320,505

14. Subsequent event

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.